

Required Report - public distribution

Date: 5/7/2009

GAIN Report Number: SF9020

South Africa - Republic of

LOCK-UP REPORT

Grain and Feed Update

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Report Highlights:

South Africa's 2009/10 marketing year commercial corn crop is estimated at 11.2 million tons on 2.4 million hectares. The corn crop yield is estimated at 4.62 tons per hectare which will be the highest corn yield per hectare ever recorded in South Africa. After the initial dry spell at the beginning of the season, most regions of the corn producing area received above-average rainfall which contributed to the historic crop. After exporting more than 2.1 million tons of corn in the 2008/09 marketing year, it is estimated that South Africa will again have about 1.8 million tons of corn available for exports in the 2009/10 marketing year.

Post:

Pretoria

Commodities:

Corn

Executive Summary:

The Crop Estimates Committee (CEC) released its third production forecast for the 2009/10 marketing year corn crop and estimated the South African commercial corn crop at 11.2 million tons on 2.4 million hectares. After the initial dry spell at the beginning of the season most parts of the corn producing area received above-average rainfall for the rest of the season which contributed to the historic crop. For the 2008/09 marketing year the human consumption of corn (mainly white corn) in South Africa increased by 19.3 percent compared to the 2007/08 marketing year. For the 2009/10 marketing season corn consumption is estimated at 9.310 million tons, an increase of 1.9 percent over the 2008/09 marketing season. For the 2008/09 marketing year South Africa exported just more than 2.1 million tons of corn. Of the 2.1 million tons exported, 1.9 million tons (90 percent) were destined for countries in Africa. For the 2009/10 marketing year it is estimated that South Africa will have about 1.8 million tons of corn available for exports.

US\$1 = Rand 8.39 (05/04/09)

Sources:

w.sagis.org.za

w.grainsa.co.za

w.safex.co.za

w.nda.agric.za

Author Defined:

Production

The CEC released its third production forecast for the 2009/10 marketing year corn crop on April 23, 2009. The CEC estimates the South African 2009/10 marketing year commercial corn crop at 11.2 million tons on 2.4 million hectares. The CEC has not yet estimated the hectares planted and crop size of the subsistence farming sector. The 2.4 million hectares planted is 15.6 percent less than the 2.8 million hectares planted in the previous season. Although the increase in input costs and the availability of credit played a role in the decrease in the hectares planted with corn, the primary reason was less than normal rainfall in the corn producing areas of South Africa before and during the planting season. However, after the initial dry spell most parts of the corn producing area in South Africa received above-average rainfall for the remainder of the season which contributed to the good crop.

The overall corn crop yield for the 2009/10 marketing year is estimated at 4.62 tons per hectare which will be the highest corn yield per hectare ever recorded in South Africa. This not only illustrates the favorable weather conditions corn producers received during the latter part of the season but also the impact of their vast adaption of biotechnology (see also report SF9005).

White corn production is estimated at 6.5 million tons on 1.5 million hectares and yellow corn production at 4.7 million tons on 933,500 hectares. Although three Monsanto white corn cultivars planted this season encountered some pollination problems, the impact on total white corn production will be small. Only about 75,000 hectares have been affected with an average crop loss

of about 10 percent.

The following table contains area planted and production figures of white and yellow corn for the 2008/09 (actual), 2009/10 (estimate) and 2010/11 (forecast) marketing years.

Table 1: Area planted and production of corn in South Africa

CORN	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t
Marketing year	2008/ 09			2009/ 10			2010/ 11		
White	1.737	4.3	7.480	1.489	4.4	6.542	1.800	3.6	6.480
Yellow	1.062	4.9	5.220	934	5.0	4.659	1.000	3.8	3.800
TOTAL	2.799	4.5	12.700	2.423	4.6	11.202	2.800	3.7	10.280

Source: SAGIS and CEC

Table 2 shows the area planted and production of corn by province in South Africa for the 2008/09 and 2009/10 marketing years.

Table 2: Area planted and production of corn by province in South Africa

	2008/09 (Actual)		2009/10 (Estimate)	
	Area	Production	Area	Production
	1000 Ha	1000 Tons	1000 Ha	1000 Tons
WHITE CORN				
Western Cape	1	10	2	15
Northern Cape	3	36	3	28
Free State	690	2,978	565	2,543
Eastern Cape	3	15	3	16
KwaZulu-Natal	41	237	40	232
Mpumalanga	268	1,475	215	1,226
Limpopo	41	164	33	165
Gauteng	80	400	69	359
North West	610	2,165	560	1,960
TOTAL	1,737	7,480	1,489	6,542
YELLOW CORN				
Western Cape	3	30	4	35
Northern Cape	52	626	48	552
Free State	480	1,950	390	1,638
Eastern Cape	13	70	13	72
KwaZulu-Natal	42	252	42	252
Mpumalanga	250	1,400	262	1,415
Limpopo	16	60	15	71
Gauteng	36	168	30	138
North West	170	664	130	488
TOTAL	1,062	5,220	934	4,659
TOTAL				
Western Cape	4	40	5	50

Northern Cape	55	662	51	580
Free State	1,170	4,928	955	4,181
Eastern Cape	16	85	16	87
KwaZulu-Natal	83	489	82	484
Mpumalanga	518	2,875	477	2,640
Limpopo	57	224	48	236
Gauteng	116	568	99	497
North West	780	2,829	690	2,448
TOTAL	2,799	12,700	2,423	11,202

Source: CEC

Consumption

For the 2008/09 marketing year the human consumption of corn (mainly white corn) in South Africa increased by 19.3 percent compared to the 2007/08 marketing year. However, corn used for animal feed (mainly yellow corn) decreased by 3 percent. This is attributable to the current economic situation which has forced many South Africans to once again buy cheaper basic foods.

For the 2008/09 marketing season it is estimated that approximately 4.5 million tons of corn, mainly white corn, will be used for human consumption and approximately 4.0 million tons, mainly yellow corn, for animal consumption. The total corn consumption for the 2008/09 marketing season is estimated at approximately 9.1 million tons, an increase of almost 8 percent from the previous season. For the 2009/10 marketing season corn consumption is estimated at 9.310 million tons, an increase of 1.9 percent over the 2008/09 marketing season. It is estimated that human and animal consumption of corn will increase by a small margin mainly because of relatively lower corn prices.

The following table contains the commercial consumption for white and yellow corn for the 2008/09 (actual), 2009/10 (estimate) and 2010/11 (forecast) marketing years:

Table 3: The commercial consumption of white and yellow corn in South Africa

CORN 000 t	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
Marketing year	2008/ 09			2009/ 10			2010/ 11		
Human	4.210	320	4.530	4.300	300	4.600	4.290	250	4.540
Animal	710	3.325	4.035	700	3.350	4.050	900	3.490	4.390
Other	234	337	571	300	360	660	200	400	600
TOTAL	5.154	3.982	9.136	5.300	4.010	9.310	5.390	4.140	9.530

Source: SAGIS, Grain SA

Trade

For the 2008/09 marketing year South Africa exported slightly more than 2.1 million tons of corn.

South Africa exported 1.9 million tons of white corn and 264,796 tons of yellow corn. Of the 2.1 million tons exported, 1.9 million tons (90 percent) were destined for countries in Africa. Table 4 shows the different export and import countries for white and yellow corn for the 2007/08 and 2008/09 marketing years. Zimbabwe (520,044), Kenya (373,724), Mozambique (299,011), and Botswana (271,706) were the primary destinations.

For the 2009/10 marketing year it is estimated that South Africa will have about 1.8 million tons of corn available for exports.

Table 4: Export and Import Countries for white and yellow corn for marketing years 2007/08 and 2008/09 (1 000 tons)

Marketing year	2007/08 (1 May 2007 – 30 April 2008)		2008/09 (1 May 2008 – 30 April 2009)	
	White corn	Yellow corn	White corn	Yellow corn
Export Destinations				
Angola			2	1
Botswana	132	3	270	1
Benin			4	
Cameroon			4	
Congo			1	
Ethiopia			9	
Ghana			2	
Guinea			1	3
Iran			33	104
Kenya			374	
Lesotho	77	8	91	5
Mauritius			12	
Malaysia				34
Malawi			8	
Mozambique	47		274	25
Namibia	56	18	122	19
Senegal			5	
Somalia			43	
Swaziland	39	44	18	39
Tanzania			50	
Togo			2	
Yemen				28
Zambia			22	
Zimbabwe	45		513	7
TOTAL EXPORTS	397	72	1.865	265
Import Suppliers				
Argentina		1.074		
Brazil				27
Zambia	42			
Malawi	1			
Tanzania	4			
TOTAL IMPORTS	46	1.074	0	27

Source: SAGIS

Import Trade Matrix

Country	South Africa		
Commodity	Corn		
Time Period	May/April	Units:	MT
Imports for:	2007/08		2008/09
U.S.	0	U.S.	0
Others		Others	
Argentina	1073511		
Zambia	42017		
Malawi	805		
Tanzania	3528		
Brazil			27
Total for Others	1119861		27
Others not Listed	0		0
Grand Total	1119861		27

Export Trade Matrix

Country	South Africa		
Commodity	Corn		
Time Period	May/April	Units:	MT
Exports for:	2007/08		2008/09
U.S.	0	U.S.	0
Others		Others	
Botswana	134625		271706
Lesotho	84648		95684
Namibia	73589		141079
Mozambique	47315		299011
Swaziland	83214		56873
Zimbabwe	45668		520044
Iran			137748
Somalia			42958
Yemen			27500
Mauritius			12400
Malaysia			34089
Tanzania			50357
Kenya			373724
Ethiopia			9386
Total for Others	469058		2072559

Others not Listed 0
Grand Total 469058

56865
2129424

Prices

The SAFEX prices as of April 24, 2009 are shown in the following Table. Currently white corn prices are at R1,545 per ton and yellow corn prices at R1,392 per ton. Local white corn prices decreased by almost R260 per ton and yellow corn prices by R360 per ton since January 2009. The major reasons for the decrease in corn prices are the strengthening of the Rand against the US dollar in recent months, the expectations that South Africa will again produce a bumper crop this year and the decline in international corn prices. In the coming months corn price levels should remain near export parity levels with the rand exchange rate the most unstable variable.

SAFEX Futures prices (04/24/2009)					
Commodity	2009/05	2009/06	2009/07	2009/09	2009/12
White corn	R1545/t (\$184/t)	R1492/t (\$178/t)	R1477/t (\$176/t)	R1514/t (\$180/t)	R1584/t (\$189/t)
Yellow corn	R1392/t (\$166/t)	N/A	R1420/t (\$169/t)	R1460/t (\$174/t)	R1526/t (\$182/t)

Corn South Africa	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: May 2008			Market Year Begin: May 2009			Market Year Begin: May 2010		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Api
			Data			Data			Data
Area Harvested	3,300	2,799	2,799	3,000	2,596	2,423		2,800	2,800
Beginning Stocks	1,661	1,661	1,661	3,675	3,042	3,122		1,822	3,314
Production	13,164	12,700	12,700	12,000	10,000	11,202		10,280	10,280
MY Imports	50	36	27	100	100	100		500	500
TY Imports	521	520	520	100	300	300		600	600
TY Imp. from U.S.	1	0	0	0	0	0		0	0
Total Supply	14,875	14,397	14,388	15,775	13,142	14,424		12,602	14,094
MY Exports	2,000	2,100	2,130	2,500	1,800	1,800		1,500	1,500
TY Exports	1,124	1,095	1,095	2,500	2,045	2,045		1,000	1,000
Feed Consumption	4,300	4,325	4,035	4,700	4,400	4,050		4,490	4,390
FSI Consumption	4,900	4,930	5,101	5,100	5,120	5,260		5,140	5,140
Total Consumption	9,200	9,255	9,136	9,800	9,520	9,310		9,630	9,530
Ending Stocks	3,675	3,042	3,122	3,475	1,822	3,314		1,472	3,064
Total Distribution	14,875	14,397	14,388	15,775	13,142	14,424		12,602	14,094